

# Consolidated Community Funding Pool

## Preface

In 1997, Fairfax County, Virginia developed and implemented a new competitive grant process, the Community Funding Pool, for funding human services offered through non-profit agencies. The FY 2000 funding year (which begins on July 1, 1999) will be the third successful year of implementation of this community-driven process. The upcoming FY 2000 funding year ushers in significant changes and innovations to the process, most notably the consolidation of the original Community Funding Pool process with the County's Consolidated Plan/CDBG funding process. This article describes the inception and initial implementation of the Community Funding Pool, culminating in the consolidation and achievements of the recently completed planning cycle (Summer 1998 to April 1999) for the

## The Need for a New Funding Relationship with Community-Based Human Service Providers

In 1997, Fairfax County, Virginia developed and implemented a new competitive grant process for funding human services offered by non-profit agencies. Before that time, non-profits received County funding through a variety of methods: some non-profits received annual contributions as line-items in the County budget with no specific program or reporting requirements; other organizations had formal contracts with one or more County Departments to provide specific services; still others competed for a variety of funds from local, state or federal sources, including the Community Development Block Grant (CDBG) and Community Services Block Grant (CSBG) funds.

These funding mechanisms had evolved separately over time, each with its own unique eligibility criteria, applications, reporting requirements, and policies. Many non-profit organizations applied for funding from multiple sources and had to comply with competing or duplicative administrative requirements. The Board of Supervisors, staff, and citizens had no reliable way to track duplication or gaps in service, or to evaluate whether the County's overall support of non-profit service delivery was in line with the community's needs and priorities. Although aspects of this problem had been identified before, it took a crisis to catalyze systemic change. Facing a multimillion dollar shortfall for the 1997 fiscal year, Fairfax County was compelled to reevaluate all of its discretionary spending. In addition to deep cuts in County human services programs, non-profit agencies faced losing their contributions as well as many long-standing service contracts. With a great deal of community support, the County's Board of Supervisors de-

## A New Funding Relationship (continued)

cided to maintain a reduced level of funding for non-profit service delivery in 1997 and to consolidate the contributory agency funds and several other funding streams into a Community Funding Pool to be awarded on a competitive basis beginning in the 1998 fiscal year. In the first year, the Funding Pool contained \$4,271,553 from the County's General Fund. Of that amount, \$589,079 was available from state and federal Community Services Block Grant funds and the remainder from the County's General Fund. To guide the process, the Board appointed a citizen group and

directed County Human Services staff to support the work.

## Establishing Goals, Policies, and Implementation Guidelines

From its inception, the Community Funding Pool was more than just a new County funding mechanism; it was a partnership between interested citizens, funded agencies, and staff from County human service departments. In the summer of 1996, the Board appointed a Funding Policy Committee consisting of citizens from human service advisory boards and civic organizations, as well as representatives from non-profit agencies who would soon operate within the system they would create. The Committee was charged with identifying goals and policies for the new approach. Supported by staff, the Funding Policy Committee conducted benchmarking research and held workshops & forums to solicit broad input. The work of the Funding Policy Committee is summarized in the adjacent box and is presented in detail in Appendix A: Funding Goals and Poli-

cies. The Funding Policy Committee's full report is included as Appendix B. The Funding Policy Committee also recommended that the Board establish a new citizen advisory body, the Community Funding Implementation Team (CFIT), to develop implementation guidelines such as detailed eligibility and evaluation criteria; application and selection guidelines; and reporting expectations for accountability in service delivery. The CFIT would also have the ongoing responsibility to set annual priorities for the Funding Pool.

### Seven Funding Policy Areas

- Stable & Continuing Funding Support
- Effective & Efficient Program Management
- Citizen Involvement at all Levels
- Funding Allocation Based on Community Needs
- Public/Private Partnerships & Collaboration
- Fair & Equitable Application Procedures
- Effective Program Monitoring & Evaluation

## Setting Community-Based Funding Priorities

The Community Funding Implementation team (CFIT) consisted of members of human service citizen advisory boards and community and civic organizations, and was supported by a County staff team drawn from four human service departments. In order to avoid real or perceived conflicts of interest, the CFIT did not include non-profit service providers. For the first two years of the Community Funding Pool, the CFIT undertook a number of activities to ensure that the annual funding allocation reflected community needs and priorities. These activities are summarized in the box below.

Based on this work, the allocation priorities for the first and second years of the Community Funding Pool were developed by the CFIT with assistance from County

staff. The priorities reflected not only objective needs data and citizen input gathered by the CFIT, but also the three strategic principles of the County's Human Services system (i.e., Prevention, Self-Sufficiency, and Protection & Treatment). To ensure that a broad spectrum of services were supported by the Pool, the CFIT specified priorities among types of programs and populations to be served, with more funds targeted for proposals with higher priority programs or service populations. The priorities for the first two years of the Funding Pool are presented in Appendix C & D.

The County released the first Requests for Proposals (RFPs) for the Community Funding Pool in the fall of 1997 and 1998. Approximately 100 proposals were received in each of the first two years of the program. Each year, the proposals were reviewed and ranked by a Selection Advisory Committee made up of citizens from the community-at-large (without connection to any eligible organization or to the priority-setting committee). The Selection Committee was assisted by a Technical Advisory Committee, comprised of staff from every County Human Services department. The Selection Committee's final funding recommendations were approved without changes by the Board of Supervisors during the County's budget process each year.

### Key Activities in the Priority-Setting Process

- Analyzed objective data from community needs assessments, demographic data, and trends in service utilization and demand.
- Sponsored a series of community forums and questionnaires in different regions of the County to invite citizen participation in identifying priorities among services and populations in need.
- Surveyed 45 citizen boards, authorities and commissions that guide human services in the County.
- Hosted a number of small regional focus groups to solicit input from low-income citizens and recipients of services.
- Solicited input on needs and emerging trends from agency directors on the Human Services Leadership Team.

## Building the Community's Capacity for Success

To receive funding through the Pool, organizations must write a successful proposal that includes budgets and program outcome measures. These requirements represented a major challenge for many newer or smaller organizations. To aid agencies in meeting this requirement, the County (in partnership with the Fairfax-Falls Church United Way and recently,

with George Mason University) has provided workshops in performance measurement and grant-writing for staff and volunteers from any interested community-based agency – including successful, unsuccessful, and potential applicants to the Pool. These workshops have had a significant impact on the quality of the proposals and performance plans for many community-based agencies.

## FY 2000: Merging the County's Two Major Community Funding Processes

In its 1997 report on Implementation Guidelines, the CFIT recommended the future merger of the Community Funding Pool process with the County's Consolidated Plan process, which includes several federal funding programs (including Community Development Block Grant/CDBG, HOME, Emergency Shelter grants, and Affordable Housing Opportunities for Persons with AIDS). Since the inception of the Community Funding Pool in 1997, Fairfax County had considered the possibility of merging these two similar but separate processes. Both processes were designed to provide competitive funding for similar types of programs offered by community organizations and non-profits; and both entailed a yearly planning and priority-setting process guided by citizen committees and based on community input. Despite these similarities, the Consolidated Plan process operated under strict federal guidelines and calendars, and its scope was greater than the scope of the Funding Pool. At the direction of the Board of Supervisors, the two processes were merged for the FY

2000 funding year. A multi-agency staff team worked with citizens throughout FY1999 to resolve the differences between the two programs and to develop a combined process. Examples of this work are described below.

[Merging the citizen advisory structure for the two processes](#). Formerly, the CFIT and the Consolidated Plan Review Committee (CPRC) were responsible for overseeing the Funding Pool and the CDBG processes, respectively. A new citizen committee (the Consolidated Community Funding Advisory Committee, or CCFAC) was appointed to replace these two existing bodies, drawing from members of the two original committees, other human services advisory boards, and civic representatives. The CCFAC is responsible for advising the Board on the development and implementation of the Consolidated Plan and implementing a combined solicitation process for Funding Pool and CDBG funds. The CCFAC also works with the Community Action Advisory Board to oversee the use of Community Services Block Grant (CSBG) funds in the Pool.

[Continuing to meet federal requirements](#) for CDBG, CSBG, and Affordable Housing Funds, as well as satisfying the local policies governing the use of the Funding Pool, throughout the merger process.

[Aligning separate planning and priority-setting cycles.](#) Each funding source followed a different year-long cycle for planning, public input, and priority-setting. The team developed a common timeframe and plan for meeting all the requirements that resulted in one set of shared outcome-oriented funding priorities for FY 2000 (see below). The CCFAC continues to conduct the forums, data review, and other planning activities of the former CFIT, plus the public hearings and other requirements of the former CPRC (See Appendix E for materials from the FY2000 public forums).

[Developing outcome-oriented priorities.](#) For FY 2000, the CCFAC organized its proposed funding priorities according to the six outcome areas below. The

#### **FY 2000 Funding Priority Outcome Areas** (with target funding ranges)

⇒ People Find and Maintain Safe, Appropriate, and Affordable Housing	27%
⇒ People Have the Supports They Need to be Self-Sufficient	23%
⇒ Youth Make Safe, Responsible Decisions	15%
⇒ Families and Individuals are Healthy, Stable, and Independent	15%
⇒ Families and Individuals Meet Their Basic Needs	11%
⇒ Communities are Safe, Supportive, Inclusive, and Thriving	9%

CCFAC believes that an outcome-focused approach better articulates what the funding pool is intended to accomplish; makes it easier for applicant organizations to convey what they wish to achieve through their proposals; and makes it easier for the Selection Advisory Committee to connect individual proposals with the funding priorities approved by the Board of Supervisors.

[Developing a single application and evaluation process where there had been two.](#) The interagency team developed a combined application that met all the local and federal requirements of all the funding sources, and developed one set of evaluation criteria and expectations for program outcomes based on the common Funding Priorities. Only one citizen Selection Committee is needed to review all of the proposals, supported by one interagency Technical Advisory Committee. (The FY 2000 RFP is included as Appendix F.)

[Resolving conflicting policy issues.](#) Through a combination of research and facilitation, County staff supported the CCFAC in resolving a number of policy differences, including the types of organizations and programs eligible for funding. CCFAC continues to resolve policy issues as they arise, such as the CCFAC's recent proposal to shift from an annual to a biennial funding cycle. If approved, this policy change may result in greater funding stability and reduced grant-writing for applicants, less burden on citizen

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## Merging the Two Processes (continued)

committees for priority-setting and proposal evaluation, and significant savings in staff time to support the process.

Building the community's capacity to enhance performance and leverage resources. In developing the new process and soliciting feedback from participants, the team identified a number of areas where the County could provide training and assistance to improve the community's capacity to

manage and leverage resources. Additional training on performance measurement, grant-writing, and financial management has been delivered or planned for the upcoming year.

Over 130 proposals were submitted in response to the combined RFP. Of those, 81 will receive full or partial funding for the FY 2000 Funding Year. Appendix G contains a brief description of the programs awarded funding for FY 2000.

## Staffing and Financing

As described above, the Consolidated Community Funding Pool contains funds from a variety of sources. The table below shows the funding totals and sources for the two programs since the inception of the Funding Pool in FY 1998.

Ongoing staffing requirements for the Consolidated Community Funding Pool fall into three distinct phases, which may soon be spread over a two-year cycle instead of an annual cycle: (1) the priority-setting process; (2) the solicitation and proposal review processes; and (3) ongoing contract management. The staffing of this effort is done through a unique and very successful partnership of four agen-

### County Partners in the Consolidated Community Funding Pool

- The Department of Systems Management for Human Services, primarily responsible for the priority-setting and planning processes and for staffing the CCFAC;
- The Department of Administration for Human Services, primarily responsible for solicitation and contract management;
- The Department of Family Services, which coordinates the involvement of the Community Action Advisory Board; and
- The Department of Housing and Community Development, which is a key partner in all phases of preparing the County's Consolidated Plan and administering CDBG contracts.

cies, each of which has an area of primary responsibility yet plays a role in every phase of the funding cycle. This partnership is described in the box above.

Funding Source	FY 1998	FY 1999	FY 2000
Community Funding Pool:	\$ 4,271,553	\$ 4,887,263	\$ 5,146,285
Includes Community Services Block Grant funding of:	\$ 589,079	\$ 513,005	\$ 513,005
Community Development Block Grant (CDBG):	\$1,897,320	\$2,227,093	\$ 1,905,219
Includes CDBG Targeted Public Services:	\$ 1,527,057	\$ 1,675,793	\$ 1,706,600
Includes CDBG Capital Projects:	\$ 370,263	\$ 551,300	\$ 198,619
TOTAL Consolidated Community Funding Pool:	n/a	n/a	\$ 7,051,504

## Success of the Program

The Consolidated Community Funding Pool process reflects significant strides to improve services, efficiency and accountability to County residents, to allocate resources in line with community priorities, and to usher in a new era of strengthened relations and streamlined processes between the County and private, non-profit organizations. The Funding Pool has been successful in achieving its original goals and funding policies. Specifically, the Funding Pool process has been successful in achieving results with our partners in the community that had proven difficult to achieve on any large, consistent scale in the past. The Funding Pool has:

Allowed non-profit agencies to identify and respond to emerging needs in the community. In traditional funding processes, the county describes specific programs to be offered or populations to be served. The Funding Pool specifies broad community outcomes, and allows members of the community to identify the needs to be met and the best strategies to employ.

Encouraged non-profits to leverage funding

through cash match from other sources, in-kind services from volunteers, or contributions from the business community and others;

Encouraged non-profits to demonstrate cooperation with other organizations to minimize duplication and achieve efficiencies; or to submit collaborative offers where two or more agencies jointly deliver services and manage the program;

Provided incentives for agencies to serve unique client populations with innovative approaches;

Provided the public and elected officials with information on the spectrum of community-based human service delivery, needs and priorities to aid in making policy and resource decisions;

Improved the administration of the funding process for community-based agencies with a streamlined and consistent approach;

Increased the capacity for outcome and per-

## Lessons Learned: Applicability for Other Local Jurisdictions

In developing and implementing the Consolidated Community Funding Pool, Fairfax County has incorporated many lessons learned over the first three years through ongoing continuous improvement efforts. However, there are a

number of lessons that apply more generally to any process that involves a decision-making partnership between citizens, elected officials, county staff, and community organizations.



## Lessons Learned: Applicability for Other Local Jurisdictions (continued)

### **Lesson #1: Real citizen involvement is absolutely critical to the long-term success of the process.**

Citizens drive this process at every step from identifying needs, to setting priorities, to making funding recommendations. For the process to be successful, citizens cannot just be represented on a committee or asked to approve staff recommendations; citizens

actually do the hard work and make the tough decisions. While this arrangement actually requires more intensive and creative staff support, it has enabled the process as a whole to withstand the inevitable pressures of a new and changing governance system.

### **Lesson #2: Strategically align the make-up of citizen committees with the tasks to be done.**

Citizen involvement is only successful if the right people are at the table for the right tasks, especially when there is real work to be done. For example, involving non-profit agencies in the early policy development phase ensured their broad buy-in and support, and helped to design a process that realistically addressed the concerns and capabilities of community

agencies. Involving respected community leaders and retired professionals in the selection phase prevented conflict of interest and ensured that funding decisions were accepted & upheld. Establishing staggered, three-year terms on the funding committee ensures fresh ideas, avoids burnout, and brings a mix of skills to the work.

### **Lesson #3: Respect the needs and sustain the commitment of the governing body.**

While the elected Board of Supervisors does approve the overall package of funding recommendations, they did delegate individual funding decisions to the citizen committee. To keep them informed and to ensure their continuing support, many approval checkpoints are built into the process along the way.

The citizen committees present funding priorities to the Board of Supervisors for approval each fall, and funding recommendations each spring. Because of the broad-based and ongoing support of the elected body, the Funding Pool will enter its fourth year with an excellent record of success and process integrity.

### **Lesson #4: Build the Capacity of the Community to Succeed.**

The County expects quality service delivery, effective management, and realistic program outcomes from non-profit providers. To help community organizations be successful applicants and recipients of

these funds, the County has offered training in grant-writing and performance management each year. To help even the playing field, this training is offered to all non-profits, not just to successful applicants.